CHANGING MINDSETS UNDER A MANAGED CARE ENVIRONMENT

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CHANGE

IS NOT
THE
END OF
THE
WORLD

21st Century

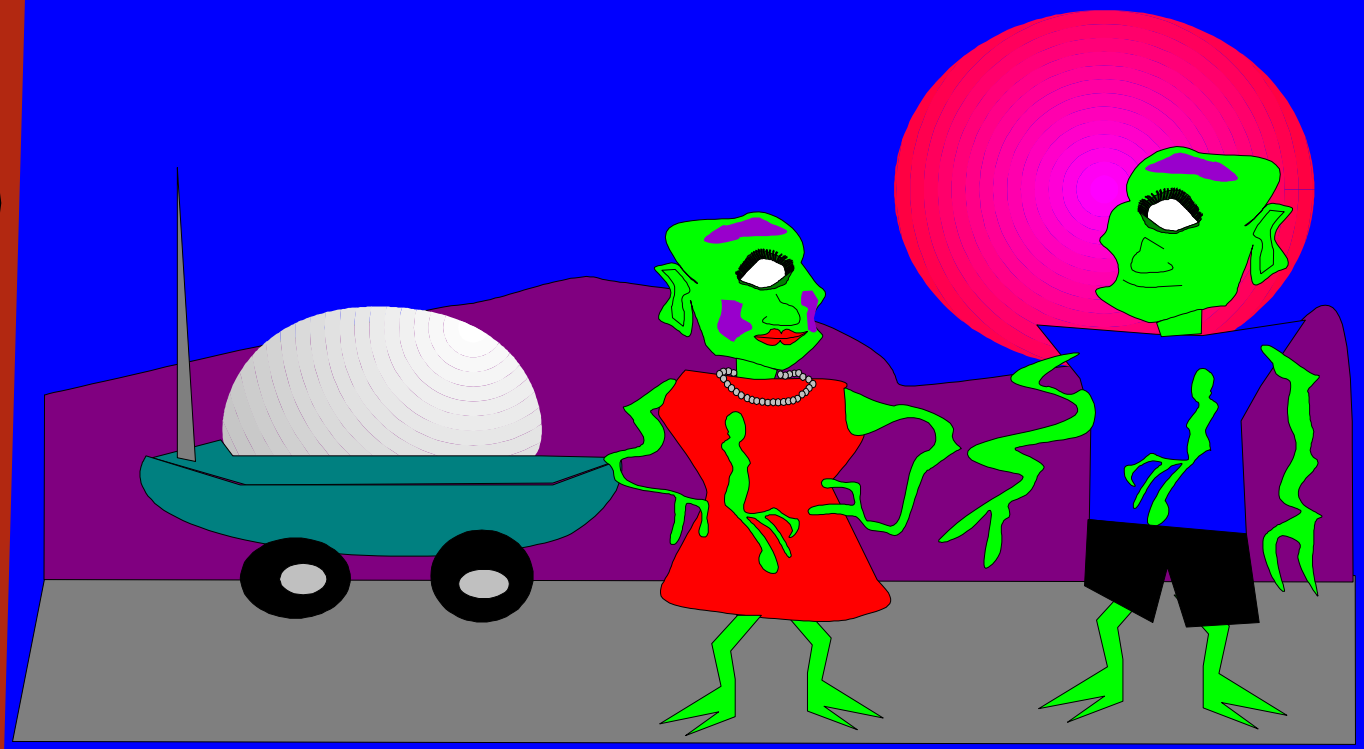
A dozen maxims

Who are we?

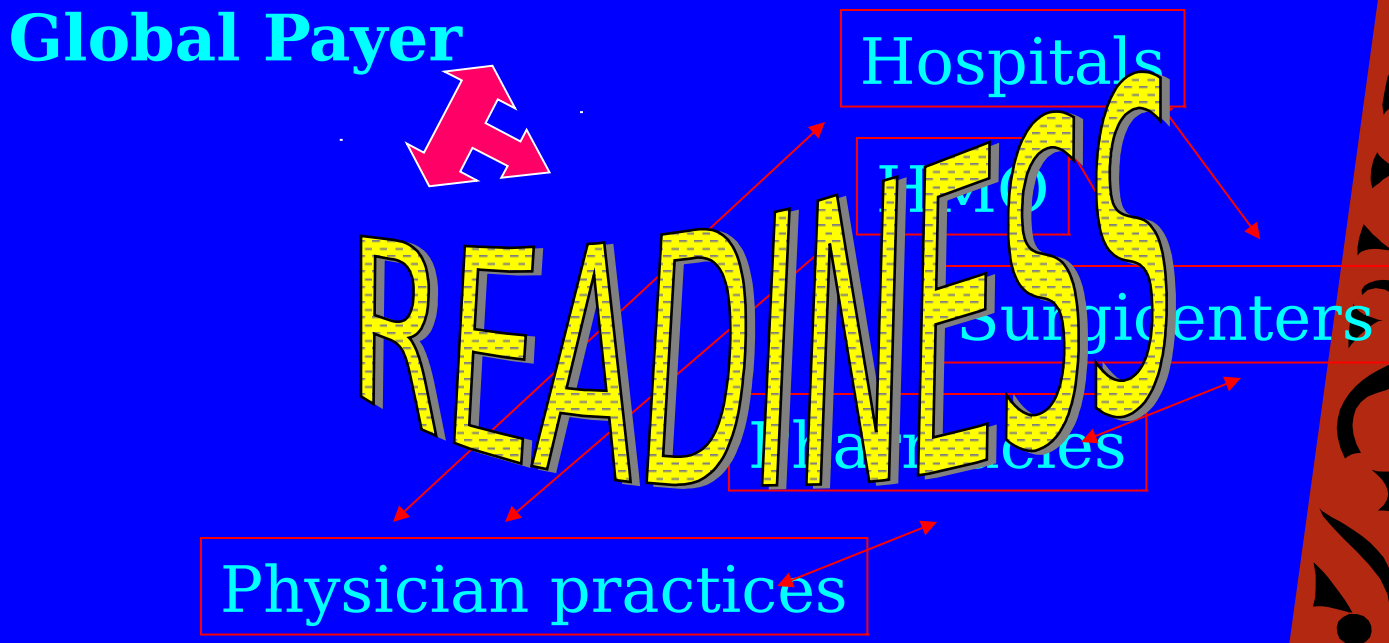
What are our goals?

What are our tools?

Who are we?



MHS: An Integrated Delivery System

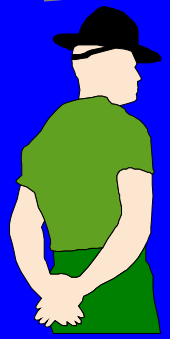


MHS:
An Integrated Delivery System

READINESS

Contingencies

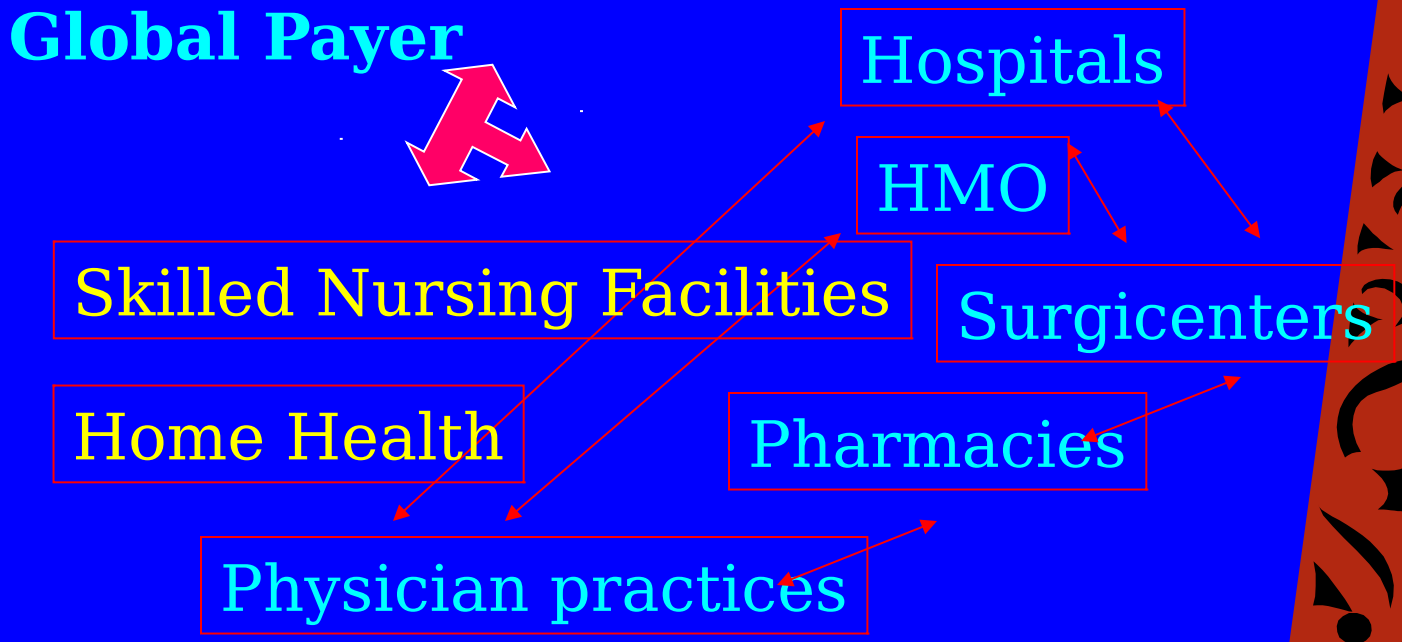
Incidence



Deployability

Blurred edges

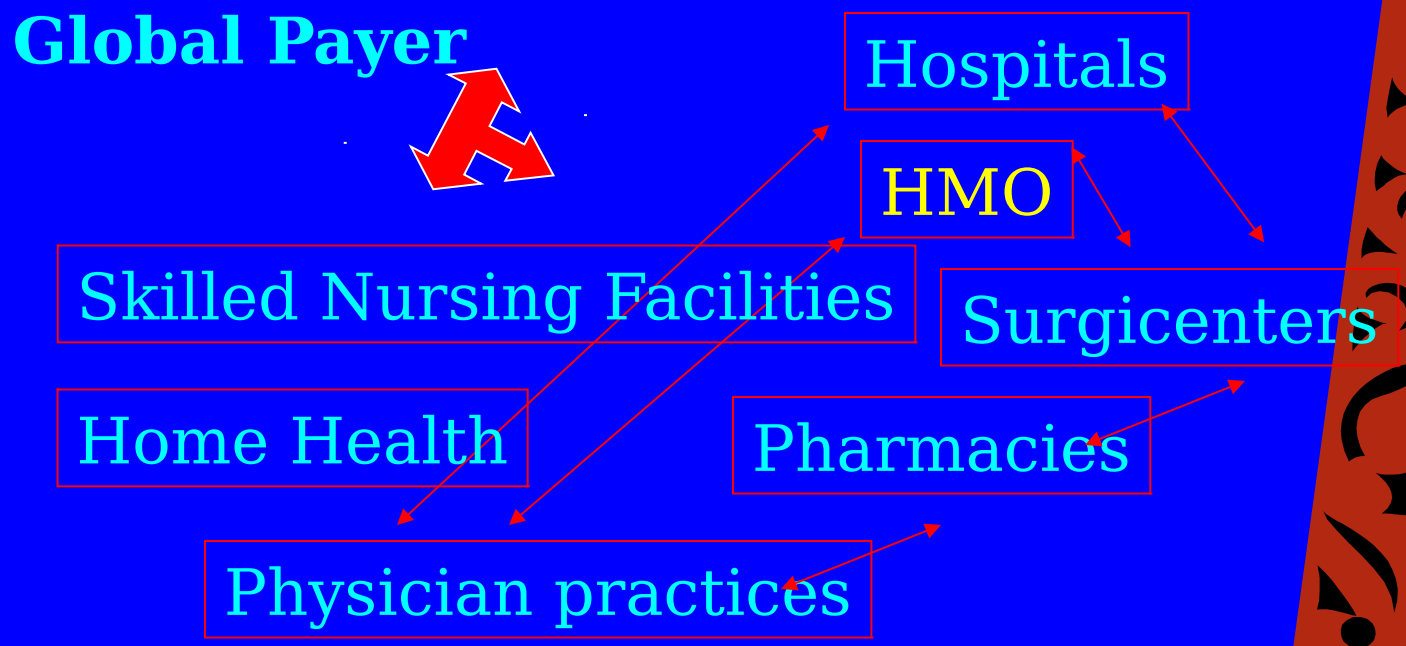
MHS: An Integrated Delivery System



MIS

MCO

System

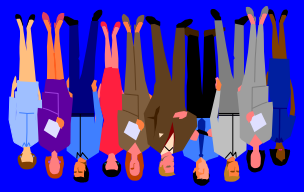


MCO

Maxim No. 1

The MCO is more critical than the MTF.

MCO



MCSC MTFs Other MTFs Line Family Others

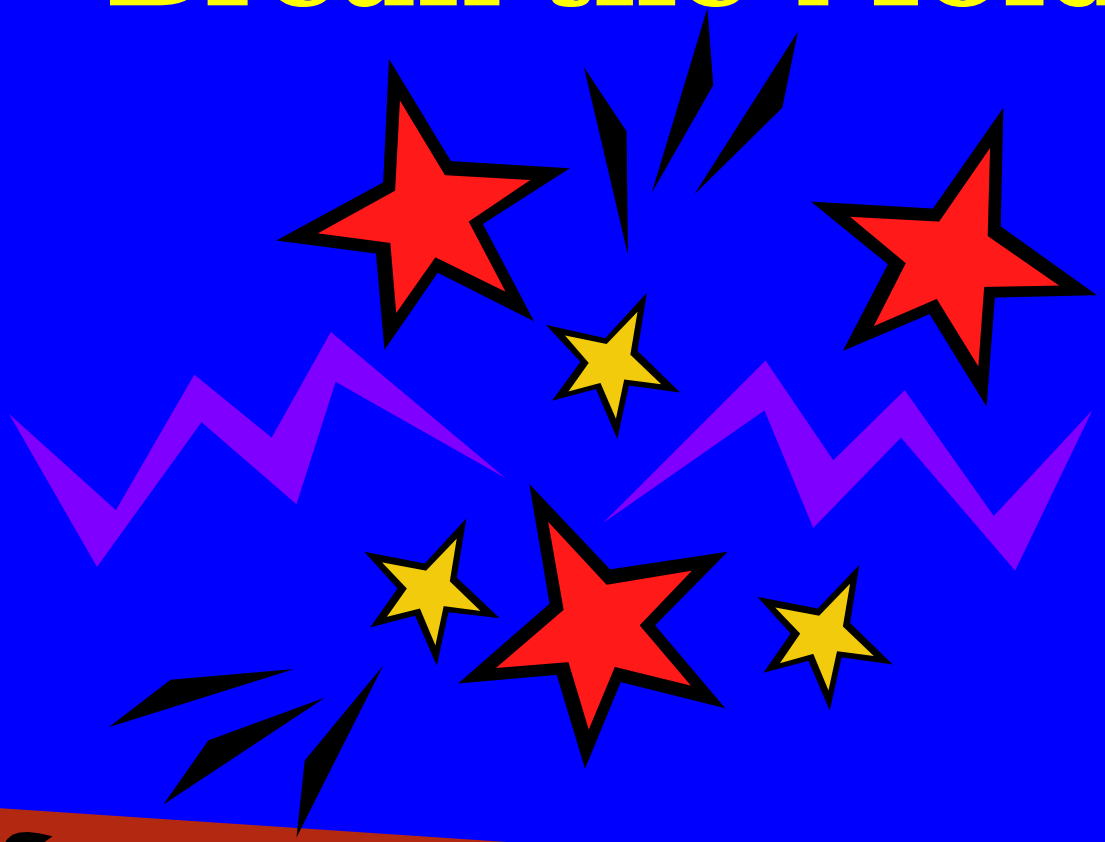
1a: No Same Service Sentiments

- Patients Served
- Referral Sources
- Partnerships & carve-outs
- Tricare (CHAMPUS) responsibilities
- Rational GME Programs

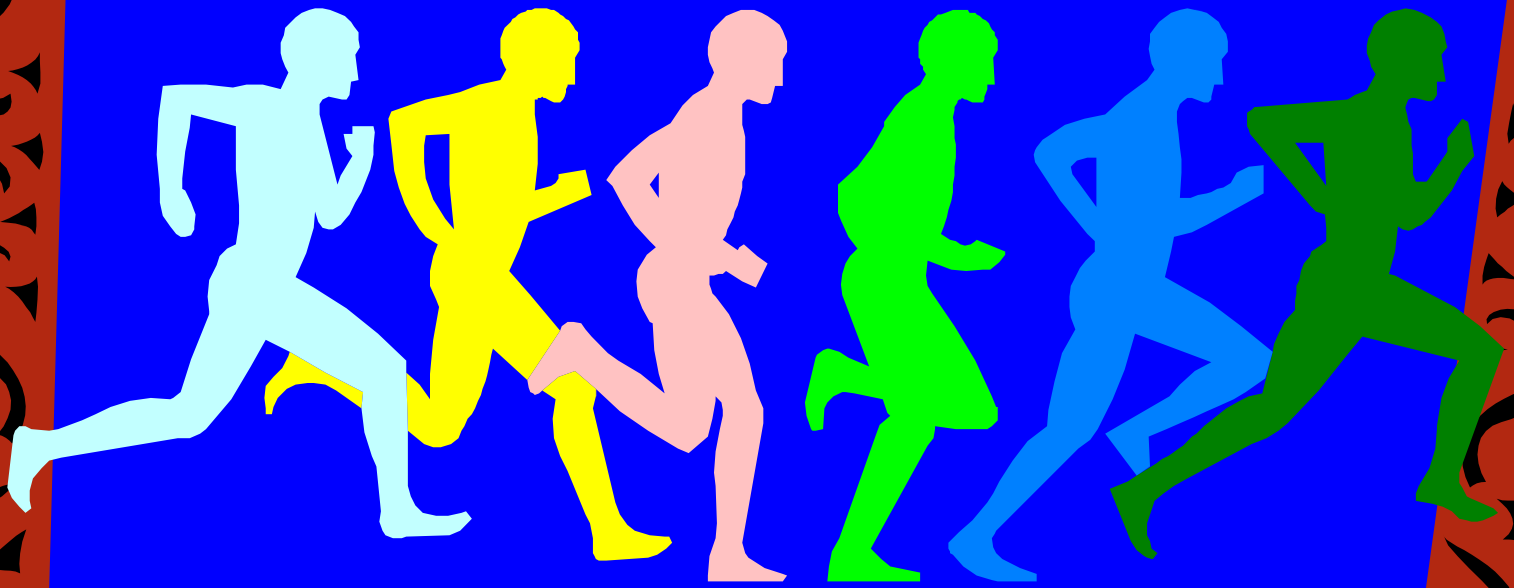
1b: MCO needs Highest Skills

- New skills, adaptability, innovation
- Crossed incentives ⇒ delicate balance
- MCO objectives congruent

Success Stories
“Break the Mold”



What are our goals?



1. Readiness

- **Health & fitness**
- **Well-trained**
- **Research / technology**

2. Best Integrated Delivery System (IDS)

- Educate on TRICARE
- Prevention / wellness
- Quality care
- Measure outcomes
- Measure leader skills

3. Healthy Communities

- Population-based info. guiding decisions
- Partner with others
- Health information guiding policy-makers
- Prevention culture

Prevention Culture

Maxim No. 2

Even though traditional stats go south!

Cost per bed day

Cost per admission

Length of stay

4. Efficiency / Resource priority

- IP / fund readiness
- Resourcing by analytical models
- CBA-guided outsourcing
- Best-practice models
- Optimum organizational structures

Efficiency

Maxim No. 3

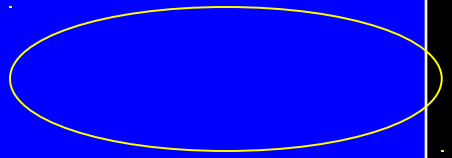
A business unit's success is measured in value added

Score Card for Dual Entity (MCO / MTF)

Page Two

Total Earnings	$443,766	$461,755

Page One



Value Added

Returned Resources are Good News!

5. Well-trained People

- Integrate education
- Provide programs
- Requirements-based criteria
- Consolidate / privatize
- Promote diversity
- Promote education T&I

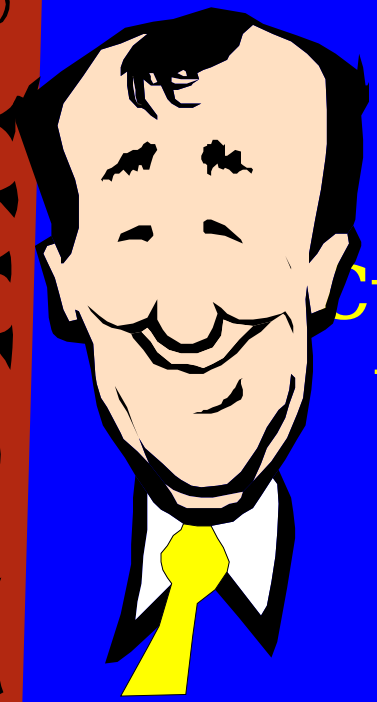
6. Integrate Technology

- ID all applicable technology
- Acquire / maintain technology
- Train to use technology

MHS Priorities

- Reengineer Medical Readiness
- Focus on Customers
- Deploy TRICARE
- Transition to Prevention
- Rightsize MHS Footprint

Customer Focus



Maxim No. 4

Customers vote --
with their pens
and their feet

So we value their feelings and their time

What are our tools?

Health Status

Maxim No. 5

Health status measurement and visibility is essential.

Health Status in populations

Guides resource allocation

Measures success

Health Status in persons

ent

Suggests PCM identity

Guides lifestyle interventions

Guides case & disease managemer

Guides treatment

Prevention

Maxim No. 6

Lifestyle change is hugely important.

7 Habits = 30 years

- Breakfasts
- No snacking
- Weight Control
- Exercise
- No Smoking
- No alcohol abuse
- Enough sleep

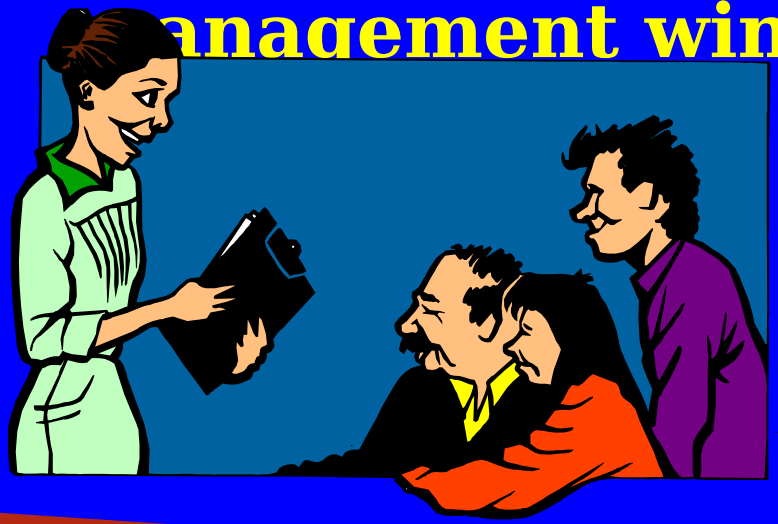
Changing Lifestyles

- MD is valuable, but limited in effect and timeliness
- Commander is valuable, but doesn't reach dependents or retirees
- Only the MCO has the knowledge, resources, and incentive
- Requires non-traditional (non-MTF) initiatives

Health Maintenance

Maxim No. 7

Proactive case management wins.



Marketing

Maxim No. 8

Marketing is more than P.R.

Marketing's 4 P's

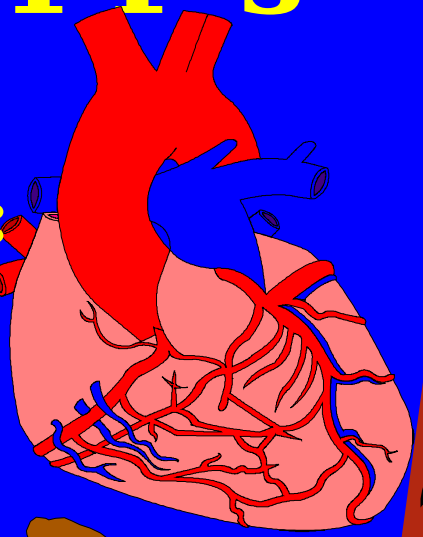
Price

Marketing's 4 P's

Price

Produ ct

MTF:



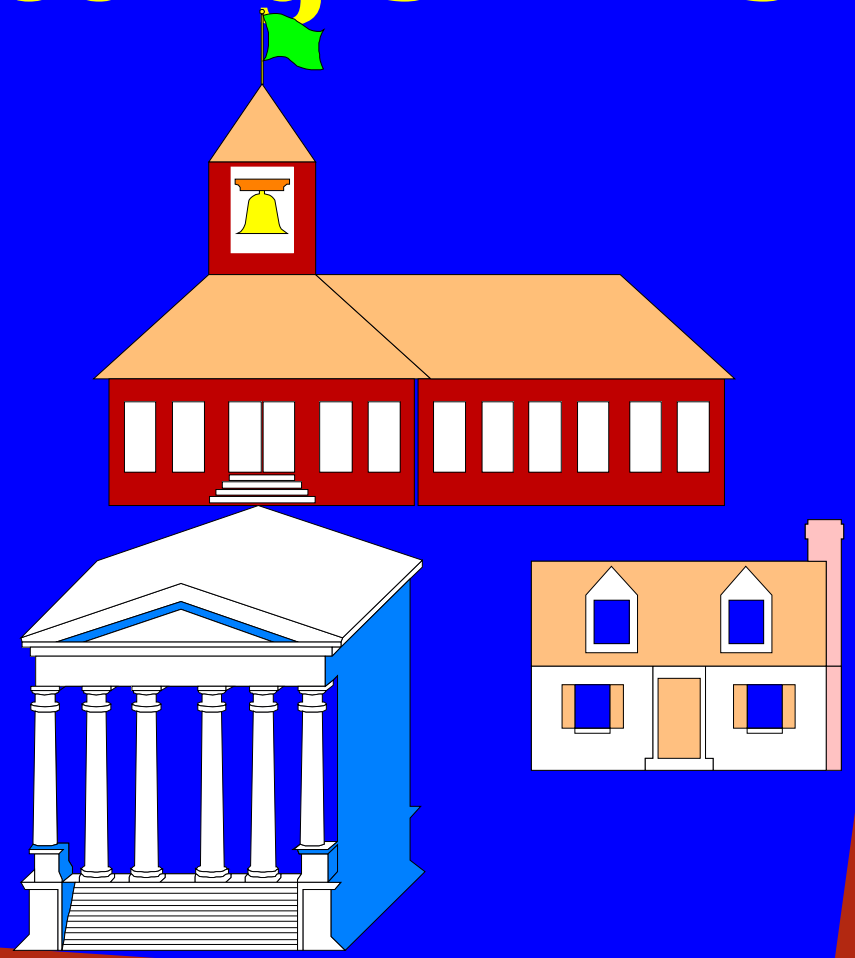
MCO

Marketing's 4 P's

Price

Produ
ct

Place



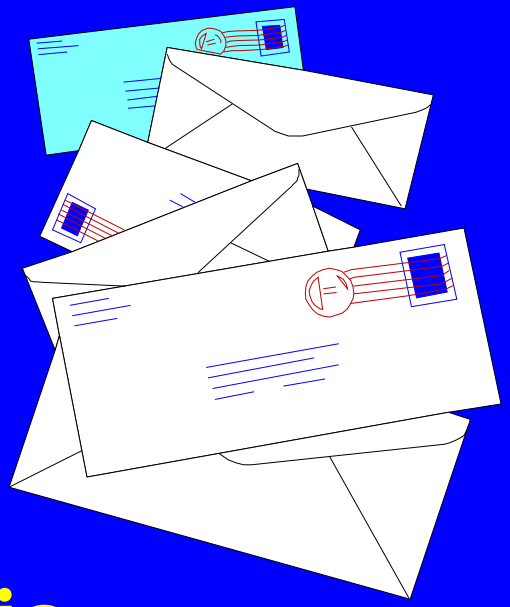
Marketing's 4 P's

Price

Produ ct

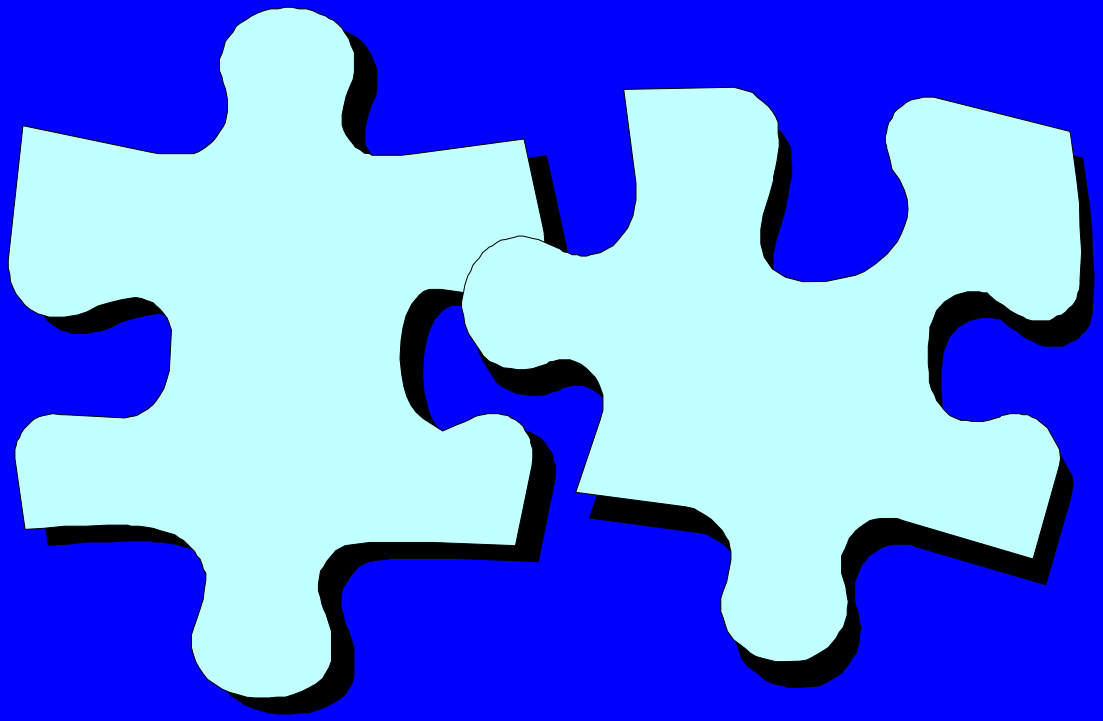
Place

Promotio n



Media
Message
Tone
Time
Purpose

MCOs (like people) ARE NOT ALL ALIKE



Patient Flow

Maxim No. 9

Management is better than serendipity!

WHERE SHOULD OUTSIDE REFERRALS GO?

AND INTERNAL REFERRALS?
Good news? Or Bad?

$45 for dermatology at WHAFMC

Resource Management

Maxim No. 10

Labor is the most critical to manage of interchangeable resources!

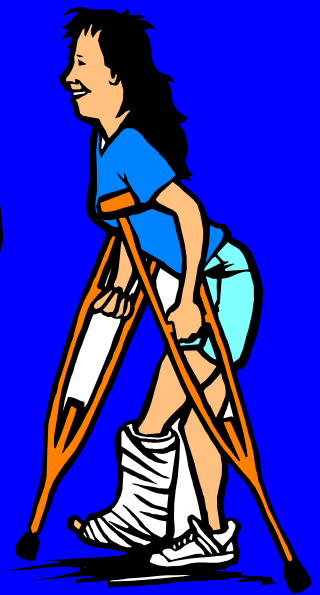
Labor as a Resource

FOCUSSING ON THE NEED, NOT THE MEANS

- Military
- Civilian employees
- Contract services
- Resource sharing
- Outsourcing
- Substitute technologies

What is the toughest task?

When assigned strength is excessive



Excess Labor?

In order of preference:

- **Get labor reassigned to MTF where needed**
- **Relocate labor to related skill area of value**
- **Use to absorb space-available demand**
- **Beware of Roemer's law, 1990's version**

Resource Management

Maxim No. 11

Resource sharing (or support) can unlock enrollment growth

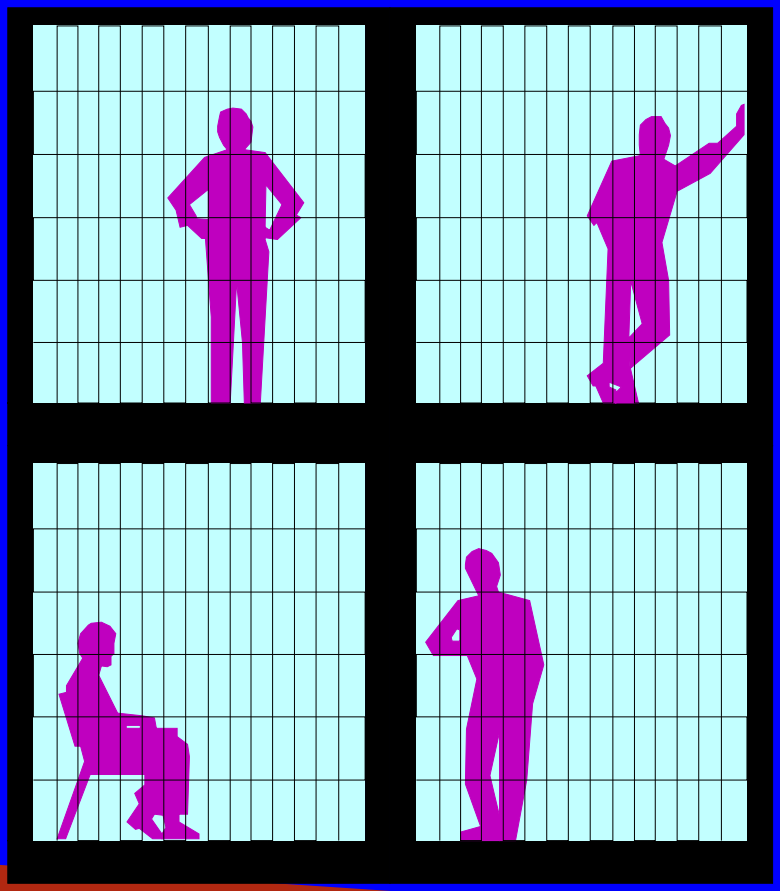
More than just a product maker

the *EBC PLANNER*

The Enrollment-Based Capitation Program Linking Annual Network Needs and Enrollment Resourcing

17 June

Computer Systems



Maxim No. 12

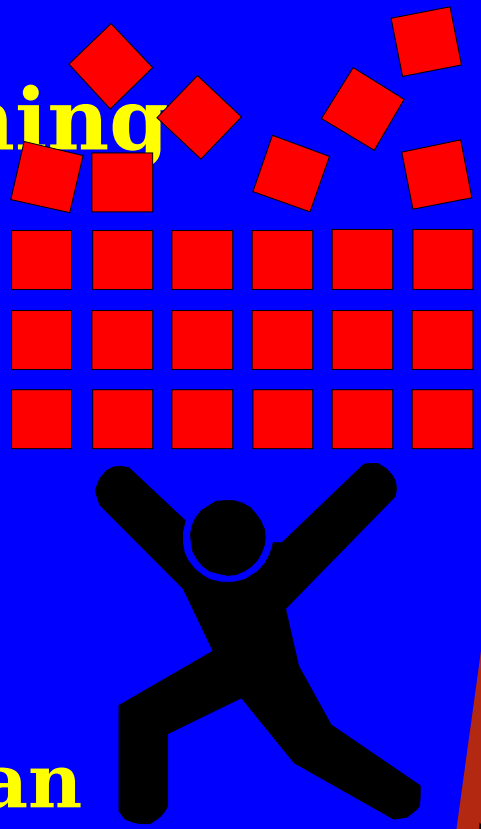
We are held hostage by our own data!

Local Data Feeds our Knowledge (or Ignorance)

- SIDRs, SADRs, complete & timely
- Health Status
- EAS (MEPRS, MEQS) labor & $$$
- CHCS (cost tables, like pharmacy)
- Defined Plans. . . (*EBC PLANNER)*

And the key is. . .

- **Integrated planning**
- **No stovepipes**
- **By default. . .**



<u>Maxim No. 13:</u>
<u>(apocryphal)</u>

The Renaissance Man is alive and well!

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